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AMENDMENTS TO LB 1085

1 1. Insert the following new sections:

2 "Section 1. Section 77-2701.02, Revised Statutes
3 Supplement, 2000, is amended to read:

4 77-2701.02. Pursuant to section 77-2715.01:

5 (1) Until July 1, 1998, ~~or April 15, 1998, whichever is~~
6 ~~later,~~ the rate of the sales tax levied pursuant to section 77-2703
7 shall be five percent;

8 (2) Commencing July 1, 1998, ~~or April 15, 1998, whichever~~
9 ~~is later,~~ and until July 1, 1999, the rate of the sales tax levied
10 pursuant to section 77-2703 shall be four and one-half percent; ~~and~~

11 (3) Commencing July 1, 1999, and until the start of the
12 first calendar quarter after the operative date of this section,
13 the rate of the sales tax levied pursuant to section 77-2703 shall
14 be five percent;

15 (4) Commencing on the start of the first calendar quarter
16 after the operative date of this section, and until the start of
17 the fifth calendar quarter after the operative date of this
18 section, the rate of the sales tax levied pursuant to section
19 77-2703 shall be five and one-half percent; and

20 (5) Commencing on the start of the fifth calendar quarter
21 after the operative date of this section, the rate of the sales tax
22 levied pursuant to section 77-2703 shall be five percent.

23 Sec. 2. Section 77-2602, Revised Statutes Supplement,
24 2001, is amended to read:

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1 77-2602. (1) Every person engaged in distributing or
2 selling cigarettes at wholesale in this state shall pay to the Tax
3 Commissioner of this state a special privilege tax. This shall be
4 in addition to all other taxes. It shall be paid prior to or at
5 the time of the sale, gift, or delivery to the retail dealer in the
6 several amounts as follows: On each package of cigarettes
7 containing not more than twenty cigarettes, ~~thirty-four~~ sixty-four
8 cents per package; and on packages containing more than twenty
9 cigarettes, the same tax as provided on packages containing not
10 more than twenty cigarettes for the first twenty cigarettes in each
11 package and a tax of one-twentieth of the tax on the first twenty
12 cigarettes on each cigarette in excess of twenty cigarettes in each
13 package. Commencing July 1, 1994, and continuing until July 1,
14 2009, the State Treasurer shall place the equivalent of twenty-one
15 cents of such tax less three million dollars each fiscal year of
16 proceeds of such tax in the General Fund. Commencing July 1, 2009,
17 the State Treasurer shall place the equivalent of twenty-one cents
18 of such tax in the General Fund. For purposes of this section, the
19 equivalent of a specified number of cents of the tax shall mean
20 that portion of the proceeds of the tax equal to the specified
21 number divided by ~~thirty-four~~ sixty-four. The State Treasurer
22 shall distribute the remaining proceeds of such tax in the
23 following order:

24 (a) First, beginning July 1, 1980, the State Treasurer
25 shall place the equivalent of one cent of such tax in the Nebraska
26 Outdoor Recreation Development Cash Fund. For fiscal year
27 distributions occurring after FY1998-99, the distribution under

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1 this subdivision shall not be less than the amount distributed
2 under this subdivision for FY1997-98. Any money needed to increase
3 the amount distributed under this subdivision to the FY1997-98
4 amount shall reduce the ~~twenty one cent~~ distribution to the General
5 Fund;

6 (b) Second, beginning July 1, 1993, the State Treasurer
7 shall place the equivalent of three cents of such tax in the
8 Department of Health and Human Services Finance and Support Cash
9 Fund to carry out sections 81-637 to 81-640. For fiscal year
10 distributions occurring after FY1998-99, the distribution under
11 this subdivision shall not be less than the amount distributed
12 under this subdivision for FY1997-98. Any money needed to increase
13 the amount distributed under this subdivision to the FY1997-98
14 amount shall reduce the ~~twenty one cent~~ distribution to the General
15 Fund;

16 (c) Third, beginning July 1, 2001, and continuing until
17 October 1, 2002, the State Treasurer shall place the equivalent of
18 five cents of such tax in the Building Renewal Allocation Fund.
19 Beginning October 1, 2002, and continuing until October 1, 2004,
20 the State Treasurer shall place the equivalent of seven cents of
21 such tax in the Building Renewal Allocation Fund. Beginning
22 October 1, 2004, and continuing until all the purposes of the
23 Deferred Building Renewal Act have been fulfilled, the State
24 Treasurer shall place the equivalent of five cents of such tax in
25 the Building Renewal Allocation Fund. The Legislature shall
26 appropriate each fiscal year all sums inuring to the fund, plus
27 interest earnings for the Task Force for Building Renewal to be

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1 used to carry out its duties and to fulfill the purposes of the
2 Deferred Building Renewal Act. Unexpended balances existing at the
3 end of each fiscal year shall be, and are hereby, reappropriated.
4 For fiscal year distributions occurring after FY1998-99, the
5 distribution under this subdivision shall not be less than
6 five-sevenths of the amount distributed under this subdivision for
7 FY1997-98. Any money needed to increase the amount distributed
8 under this subdivision to five-sevenths of the FY1997-98 amount
9 shall reduce the ~~twenty-one-cent~~ distribution to the General Fund;

10 (d) Fourth, until October 1, 2002, and beginning on
11 October 1, 2004, the State Treasurer shall place the difference
12 between the equivalent of thirteen cents of such tax and the sum of
13 the amounts distributed pursuant to subdivisions (a) through (c)
14 and (f) through (h) of this subsection in a special fund to be
15 known as the Nebraska Capital Construction Fund. Beginning October
16 1, 2002, and continuing until October 1, 2004, the State Treasurer
17 shall place the difference between the equivalent of forty-three
18 cents of such tax and the sum of the amounts distributed pursuant
19 to subdivisions (a) through (c) and (f) through (i) of this
20 subsection in the Nebraska Capital Construction Fund;

21 (e) Fifth, beginning July 1, 1994, and continuing until
22 July 1, 2009, the State Treasurer shall place in the Municipal
23 Infrastructure Redevelopment Fund the sum of three million dollars
24 each fiscal year to carry out the Municipal Infrastructure
25 Redevelopment Fund Act. The Legislature shall appropriate the sum
26 of three million dollars each year for fiscal year 1994-95 through
27 fiscal year 2008-09;

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1 (f) Sixth, beginning July 1, 2001, the State Treasurer
2 shall place the equivalent of two cents of such tax in the
3 Information Technology Infrastructure Fund;

4 (g) Seventh, beginning July 1, 2001, and continuing until
5 June 30, 2016, the State Treasurer shall place one million dollars
6 each fiscal year in the City of the Primary Class Development Fund.
7 If necessary, the State Treasurer shall reduce the distribution of
8 tax proceeds to the General Fund pursuant to this subsection by
9 such amount required to fulfill the one million dollars to be
10 distributed pursuant to this subdivision; ~~and~~

11 (h) Eighth, beginning July 1, 2001, and continuing until
12 June 30, 2016, the State Treasurer shall place one million five
13 hundred thousand dollars each fiscal year in the City of the
14 Metropolitan Class Development Fund. If necessary, the State
15 Treasurer shall reduce the distribution of tax proceeds to the
16 General Fund pursuant to this subsection by such amount required to
17 fulfill the one million five hundred thousand dollars to be
18 distributed pursuant to this subdivision; and

19 (i) Ninth, beginning October 1, 2002, and continuing
20 until October 1, 2004, the State Treasurer shall place the
21 equivalent of twenty-eight cents of such tax each fiscal year in
22 the Cash Reserve Fund.

23 (2) The Legislature hereby finds and determines that the
24 projects funded from the Municipal Infrastructure Redevelopment
25 Fund and the Building Renewal Allocation Fund are of critical
26 importance to the State of Nebraska. It is the intent of the
27 Legislature that the allocations and appropriations made by the

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1 Legislature to such funds or, in the case of allocations for the
2 Municipal Infrastructure Redevelopment Fund, to the particular
3 municipality's account not be reduced until all contracts and
4 securities relating to the construction and financing of the
5 projects or portions of the projects funded from such funds or
6 accounts of such funds are completed or paid or, in the case of the
7 Municipal Infrastructure Redevelopment Fund, the earlier of such
8 date or July 1, 2009, and that until such time any reductions in
9 the cigarette tax rate made by the Legislature shall be
10 simultaneously accompanied by equivalent reductions in the amount
11 dedicated to the General Fund from cigarette tax revenue. Any
12 provision made by the Legislature for distribution of the proceeds
13 of the cigarette tax for projects or programs other than those to
14 (a) the General Fund, (b) the Nebraska Outdoor Recreation
15 Development Cash Fund, (c) the Department of Health and Human
16 Services Finance and Support Cash Fund, (d) the Municipal
17 Infrastructure Redevelopment Fund, (e) the Building Renewal
18 Allocation Fund, (f) the Information Technology Infrastructure
19 Fund, (g) the City of the Primary Class Development Fund, ~~and~~ (h)
20 the City of the Metropolitan Class Development Fund, and (i) the
21 Cash Reserve Fund shall not be made a higher priority than or an
22 equal priority to any of the programs or projects specified in
23 subdivisions (a) through ~~(h)~~ (i) of this subsection.

24 Sec. 15. Section 77-4008, Reissue Revised Statutes of
25 Nebraska, is amended to read:

26 77-4008. (1) Commencing on or after January 1, 1988, a
27 tax is hereby imposed upon the first owner of tobacco products to

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1 be sold in this state. ~~The~~ Prior to October 1, 2002, and on and
2 after October 1, 2004, the tax shall be fifteen percent, and on and
3 after October 1, 2002, and continuing until October 1, 2004, the
4 tax shall be twenty percent, of (a) the purchase price of such
5 tobacco products paid by the first owner or (b) the price at which
6 a first owner who made, manufactured, or fabricated the tobacco
7 product sells the items to others. Such tax shall be in addition
8 to all other taxes.

9 (2) Whenever any person who is licensed under section
10 77-4009 purchases tobacco products from another person licensed
11 under section 77-4009, the seller shall be liable for the payment
12 of the tax.

13 (3) On and after October 1, 2002, and continuing until
14 October 1, 2004, the Tax Commissioner shall remit the amount
15 collected pursuant to this section to the State Treasurer, and the
16 State Treasurer shall credit three-fourths of such amount to the
17 General Fund and one-fourth of such amount to the Cash Reserve
18 Fund. On and after October 1, 2004, amounts collected shall be
19 used and distributed pursuant to section 77-4025.

20 Sec. 16. Section 77-4025, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 77-4025. There is hereby created a cash fund in the
23 Department of Revenue to be known as the Tobacco Products
24 Administration Cash Fund. Except as otherwise provided in section
25 77-4008, all ~~All~~ revenue collected or received by the Tax
26 Commissioner from the license fees and taxes imposed by the Tobacco
27 Products Tax Act shall be remitted to the State Treasurer for

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1 credit to the Tobacco Products Administration Cash Fund. All costs
2 required for administration of the Tobacco Products Tax Act shall
3 be paid from such fund. Credits and refunds allowed under the act
4 shall be paid from the Tobacco Products Administration Cash Fund.
5 Any receipts, after credits and refunds, in excess of the amounts
6 sufficient to cover the costs of administration shall lapse to the
7 General Fund. Any money in the Tobacco Products Administration
8 Cash Fund available for investment shall be invested by the state
9 investment officer pursuant to the Nebraska Capital Expansion Act
10 and the Nebraska State Funds Investment Act.

11 Sec. 17. Sections 1, 12 to 14, 17, 18, and 21 of this
12 act become operative on their effective date with the emergency
13 clause. The other sections of this act become effective on October
14 1, 2002.

15 Sec. 18. Original sections 77-2701.02, 77-2715.02, and
16 77-2716, Revised Statutes Supplement, 2000, and section 77-3442,
17 Revised Statutes Supplement, 2001, are repealed.

18 Sec. 19. Original sections 77-2702.16, 77-2702.17,
19 77-2704.11, 77-2704.26, 77-2704.27, 77-4008, and 77-4025, Reissue
20 Revised Statutes of Nebraska, sections 77-2702.07, 77-2702.13,
21 77-2702.14, and 77-2703, Revised Statutes Supplement, 2000, and
22 section 77-2702, Revised Statutes Supplement, 2001, are repealed."

23 2. Strike the Jensen amendment, AM3503.

24 3. In the E & R amendment, AM7211:

25 a. Strike sections 13 to 15;

26 b. On page 3, lines 14 through 16, reinstate the
27 stricken matter;

1 c. On page 4, strike beginning with "(a)" in line 13
2 through line 23 and insert

3 "(a) The gross income received for building cleaning and
4 maintenance, pest control, and security;

5 (b) The gross income received for motor vehicle washing,
6 waxing, towing, and painting;

7 (c) The gross income received for computer software
8 training; and

9 (d) The gross income received for installing and applying
10 tangible personal property if the sale of the property is subject
11 to tax.";

12 d. On page 28, line 27, strike the new matter and insert
13 "or application";

14 e. On page 29, line 1, strike "applied, or repaired" and
15 insert "or applied"; and in line 3 strike "application, or repair"
16 and insert "or application"; and

17 f. On page 31, line 5, strike "2002" and insert "2003,
18 and for taxable years beginning or deemed to begin on or after
19 January 1, 2004"; and in line 11 strike "2002" and insert "2003,
20 and before January 1, 2004".

21 4. Renumber the remaining sections and correct internal
22 references accordingly.